

MINUTES

PCF OVERSIGHT BOARD

September 1, 2011

WOMAN'S HOSPITAL
BATON ROUGE, LA.

Mr. Clark Cossé, Chairman convened the meeting of the Patient's Compensation Fund Oversight Board, at 6:30 PM on Thursday, September 1, 2011 at Woman's Hospital in Baton Rouge.

The following Board Members were in attendance:

Mr. Clark Cossé	Mr. James Hritz
Dr. Katharine Rathbun	Mr. Kent Guidry
Mr. Manual DePascual	Dr. Melanie Firmin

The following Board Members were absent:

Mr. Joe Donchess	Dr. William LaCorte
Dr. Van Culotta	

Others present:

Mrs. Lorraine LeBlanc	Mr. Adam Thames
Mr. Ken Schnauder	Ms. Lynn Duszynski
Mr. John Morgan	Ms. Sharon Knight
Mr. David Woolridge	
Mr. Robert Katz	Mr. Karl Hoefer

Mr. Cossé called the meeting to order and asked that the record reflect six Board Members were in attendance and a quorum was present. Mr. Cossé welcomed the guests to the meeting and asked all present to introduce themselves.

Mr. Cossé asked for public comments. No public comments were made.

The first item on the agenda was the election of the Board officers. Dr. Firmin spoke on behalf of the nominating committee. The committee recommended the current slate of officers: Mr. Cossé as Chairman, Dr. Culotta as Vice Chairman and Mr. Guidry as Secretary. There were no other nominations made. Dr. Rathbun moved to accept the nominations and Mr. Hritz seconded the motion. By verbal vote, the motion passed.

The next item was a presentation by representatives from Iberia Bank's wealth advisors. They gave an overview of the bank, stating it was a strong Louisiana Bank with 79 locations in state. It is a publically traded bank and has in-house economist and analyst. The bank has a lot of health care clients. An

overview of the services was contained on page 15 of the handout. They have investment policy samples that they can share to assist the Board in developing goals and policies and to assist the Board in determining the tolerance for risk, which they suspect would be very conservative. They stated the largest group they handle involves about \$17 million, but the average client has about \$5 – 10 million.

Mr. Cossé stated he, Mrs. LeBlanc and Mr. Schnauder were going to meet with the consultants for LASERS and the investment staff at LWCC had also agreed to assist the Board. It was felt the best approach would be to retain a consultant to advise the Board and help establish goals, policies and guidelines. This will probably require a RFP.

Mrs. LeBlanc then requested input from the Board members regarding the funds currently placed in the PCF account at Chase Bank. In discussions with the bank representatives, interest can be earned by using a Sweep account. To avoid service charges at Chase, a minimum of \$2.5 million should be in the account at all times. Mrs. LeBlanc and Mr. Schnauder recommended amounts in excess of that be swept into a Repo Account for overnight investment. This would earn interest, although at a lower rate than what is currently being earned on our cash at the Treasurer's office. To ensure funds are readily available for payments processed, a minimum of \$6 million needs to be kept at Chase Bank. However, funds in excess of that should be sent to the Treasurer's office to earn the higher interest. Dr. Firmin made a motion to approve this plan and Dr. Rathbun seconded the motion. By verbal vote, the banking guidelines were approved.


Mr. Cossé called for the approval of the July 14, 2011 minutes. Dr. Rathbun moved for the minutes to be approved and Mr. Guidry seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Next, the financial handout was explained by Ms. LeBlanc. The total expenditures for fiscal year 2010-2011 were \$121,237,833. The total paid out in claims was \$117,205,123. The amount of the unexpended budget was \$17,707,901. Collections for the prior fiscal year were \$171,284,782. There was approximately \$50 million more collected than expended. In addition to this \$9,522,262 was earned in interest. In total, there was \$60 million added to assets to further reduce the unfunded liability. The new fiscal year's budget is \$135,000,000 for claim payments and \$4,276,785 in administration costs.

The final item on the agenda for the general session was the Claims Manager report. Mr. Schnauder went over the report pointing out the key items. He reported that for the first time in over five years the claims budget was not fully expended. There was about \$17 million not expended. The number of new panels is the same as past years, reserves are down and pending claims remain under 4900. There were no questions.

Mr. Cossé asked if there were any public comments and there were none.

Mr. Guidry then motioned for the Board to move into the Executive Session to discuss matters of litigation and Mr. DePascual seconded the motion. The vote was unanimous and the General Session was adjourned. The Board moved into Executive Session.


Mr. Clark Cossé III, Chairman
Oct 6, 2011